

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**TWENTY SEVENTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC.
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
JUNE 1, 2021 THROUGH JUNE 30, 2021**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to
October 25, 2018

Period for which compensation and reimbursement is sought: June 1, 2021 through June 30,
2021

Monthly Fees Incurred: \$33,168.00

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$33,168.00

This is a: X monthly _____interim _____final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from June 1, 2021 through and including June 30, 2021 (the “**Twenty Seventh Fee Period**”) amount to:

| | |
|-------------------|---------------------------|
| Professional Fees | \$33,168.00 |
| Expenses | <u>0.00</u> |
| TOTAL | <u>\$33,168.00</u> |

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

| | |
|--------------------------|---------------------------|
| Professional Fees at 80% | \$26,534.40 |
| Expenses at 100% | <u>0.00</u> |
| TOTAL | <u>\$26,534.40</u> |

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Twenty Seventh Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Twenty Seventh Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Twenty Seventh Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Twenty Seventh Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Twenty Seventh Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Twenty Seventh Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than August 11, 2021 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
July 27, 2021

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
Three Times Square, 10th Floor
New York, New York 10036
Telephone: (212) 499-3611
Email: matt.diaz@fticonsulting.com

EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY PROFESSIONAL****FOR THE PERIOD JUNE 1, 2021 TO JUNE 30, 2021**

| Professional | Position | Specialty | Billing Rate | Total Hours | Total Fees |
|---------------------|-------------------|------------------|-------------------------|------------------------|-----------------------|
| Diaz, Matthew | Sr Managing Dir | Restructuring | \$ 1,120 | 5.1 | \$ 5,712.00 |
| Eisler, Marshall | Managing Director | Restructuring | 885 | 1.8 | 1,593.00 |
| Kim, Ye Darm | Sr Consultant | Restructuring | 635 | 32.6 | 20,701.00 |
| Shapiro, Jill | Sr Consultant | Restructuring | 580 | 8.9 | 5,162.00 |
| TOTAL | | | | 48.4 | \$ 33,168.00 |

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD JUNE 1, 2021 TO JUNE 30, 2021**

| Task Code | Task Description | Total Hours | Total Fees |
|----------------------|--|------------------------|-----------------------|
| 3 | Financing Matters (DIP, Exit, Other) | 12.8 | \$ 9,146.50 |
| 13 | Analysis of Other Miscellaneous Motions | 0.7 | 444.50 |
| 17 | Wind Down Monitoring | 0.6 | 672.00 |
| 18 | Potential Avoidance Actions & Litigation | 29.6 | 19,801.00 |
| 24 | Preparation of Fee Application | 4.7 | 3,104.00 |
| TOTAL | | 48.4 | \$33,168.00 |

EXHIBIT C
SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
DETAIL OF TIME ENTRIES
FOR THE PERIOD JUNE 1, 2021 TO JUNE 30, 2021

| Task Category | Date | Professional | Hours | Activity |
|----------------------|-------------|---------------------|--------------|--|
| 3 | 5/26/2021 | Kim, Ye Darm | 0.7 | Prepare materials re: litigation funding. |
| 3 | 6/17/2021 | Kim, Ye Darm | 2.3 | Prepare updated materials re: litigation funding. |
| 3 | 6/18/2021 | Diaz, Matthew | 0.4 | Review litigation funding issues. |
| 3 | 6/18/2021 | Diaz, Matthew | 0.9 | Review litigation funding materials. |
| 3 | 6/18/2021 | Kim, Ye Darm | 1.9 | Prepare materials re: litigation funding. |
| 3 | 6/18/2021 | Kim, Ye Darm | 0.5 | Evaluate issues re: litigation funding. |
| 3 | 6/21/2021 | Kim, Ye Darm | 3.1 | Review materials in connection with litigation funding. |
| 3 | 6/21/2021 | Kim, Ye Darm | 2.2 | Update litigation funding materials. |
| 3 | 6/24/2021 | Diaz, Matthew | 0.5 | Review updated litigation funding materials. |
| 3 | 6/24/2021 | Diaz, Matthew | 0.3 | Review information in connection with litigation funding. |
| 3 Total | | | 12.8 | |
| 13 | 5/14/2021 | Kim, Ye Darm | 0.7 | Review latest motions re: preference action engagement terms. |
| 13 Total | | | 0.7 | |
| 17 | 6/30/2021 | Diaz, Matthew | 0.6 | Review the Sears updated post-confirmation forecast. |
| 17 Total | | | 0.6 | |
| 18 | 6/1/2021 | Kim, Ye Darm | 1.1 | Review production re: historical transactions. |
| 18 | 6/2/2021 | Kim, Ye Darm | 2.3 | Review documents from Counsel re: historical holdings. |
| 18 | 6/2/2021 | Kim, Ye Darm | 0.4 | Review materials in connection with historical analysis. |
| 18 | 6/2/2021 | Kim, Ye Darm | 0.5 | Prepare workplan re: historical analysis. |
| 18 | 6/3/2021 | Kim, Ye Darm | 2.3 | Review additional production re: historical holdings. |
| 18 | 6/4/2021 | Kim, Ye Darm | 1.4 | Continue to review additional production re: historical transactions. |
| 18 | 6/4/2021 | Diaz, Matthew | 0.4 | Review workplan re: historical holdings analysis. |
| 18 | 6/7/2021 | Diaz, Matthew | 0.9 | Review items received from discovery on the shareholders. |
| 18 | 6/7/2021 | Eisler, Marshall | 0.6 | Participate in call re: historical transaction analysis. |
| 18 | 6/7/2021 | Eisler, Marshall | 0.3 | Review summary of discovery documents in connection with historical holdings analysis. |
| 18 | 6/7/2021 | Kim, Ye Darm | 0.6 | Participate in call re: historical transaction analysis. |
| 18 | 6/7/2021 | Kim, Ye Darm | 2.6 | Review diligence materials re: transaction analysis. |
| 18 | 6/7/2021 | Shapiro, Jill | 0.6 | Participate in call re: historical transaction analysis. |
| 18 | 6/7/2021 | Shapiro, Jill | 1.9 | Prepare historical transaction analysis as requested by Counsel. |
| 18 | 6/8/2021 | Eisler, Marshall | 0.3 | Review summary of discovery documents. |
| 18 | 6/8/2021 | Eisler, Marshall | 0.6 | Review documents re: discovery requests. |
| 18 | 6/8/2021 | Kim, Ye Darm | 2.1 | Continue to review diligence materials re: transaction analysis. |
| 18 | 6/8/2021 | Kim, Ye Darm | 0.7 | Review diligence files re: historical transactions. |
| 18 | 6/10/2021 | Kim, Ye Darm | 0.5 | Participate in call with Counsel re: historical transaction analysis. |
| 18 | 6/10/2021 | Kim, Ye Darm | 2.0 | Review historical transactions diligence materials. |
| 18 | 6/10/2021 | Shapiro, Jill | 0.5 | Participate in call with Counsel re: historical transaction analysis. |
| 18 | 6/21/2021 | Kim, Ye Darm | 0.6 | Update workplan re: historical transaction analysis. |
| 18 | 6/21/2021 | Kim, Ye Darm | 2.1 | Prepare workplan re: transaction analysis. |
| 18 | 6/24/2021 | Diaz, Matthew | 0.4 | Review transaction analysis workplan. |
| 18 | 6/25/2021 | Kim, Ye Darm | 0.6 | Participate in call re: transaction analysis. |
| 18 | 6/25/2021 | Kim, Ye Darm | 0.9 | Process updates to the transaction analysis workplan. |
| 18 | 6/25/2021 | Shapiro, Jill | 0.6 | Participate in call re: transaction analysis. |
| 18 | 6/30/2021 | Kim, Ye Darm | 0.5 | Prepare analysis re: historical transactions. |
| 18 | 6/30/2021 | Shapiro, Jill | 1.3 | Prepare analysis re: transactions analysis. |
| 18 Total | | | 29.6 | |
| 24 | 6/9/2021 | Shapiro, Jill | 1.4 | Prepare combined monthly fee statement. |
| 24 | 6/10/2021 | Diaz, Matthew | 0.7 | Review combined monthly fee statement. |
| 24 | 6/10/2021 | Shapiro, Jill | 2.0 | Prepare combined monthly fee statement. |
| 24 | 6/11/2021 | Shapiro, Jill | 0.6 | Update combined monthly fee statement. |
| 24 Total | | | 4.7 | |
| Grand Total | | | 48.4 | |

EXHIBIT D

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

SUMMARY OF EXPENSES

FOR THE PERIOD JUNE 1, 2021 TO JUNE 30, 2021

| Expense Type | Amount |
|---------------------|---------------|
|---------------------|---------------|

Not Applicable in this month.

EXHIBIT E

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

EXPENSE DETAIL

FOR THE PERIOD JUNE 1, 2021 TO JUNE 30, 2021

| Date | Professional | Expense Type | Expense Detail | Amount |
|--------------------------------------|---------------------|---------------------|-----------------------|---------------|
| Not Applicable in this month. | | | | |